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ABSTRACT

A project investigated Australian Chamber of Commerce and Industry (ACCI)-developed proposals designed to strengthen User Choice. (The ability of employers and employees to select a training provider of their choice, providing it is registered in their state or territory, is known as "User Choice.") Stage 1 analyzed the ACCI position, using published ACCI documents, the ACCI website, and information from consultation with an ACCI senior representative. Results indicated ACCI identified 5 "issues of contention" that continue to affect User Choice implementation; ACCI's new approach to User Choice was framed around 3 elements, each with a different set of purposes; and ACCI proposed 11 new principles, a new pricing and purchase policy, an online matching register, and E-business facility for User Choice. In Stage 2, information about current User Choice practice and views of the State Training Authorities (STAs) were gathered in these three ways: from STAs' websites; from written responses from STAs to a set of questions about the ACCI proposals; and from additional information from some STAs in telephone consultations. Overall, the websites for User Choice and New Apprenticeships appear to provide a solid foundation on which it would be possible to build an expanded e-business facility for User Choice. STAs identified these major issues: risks in a further deregulated setting, quality, costs, local needs, funding, and industry. (YLB)

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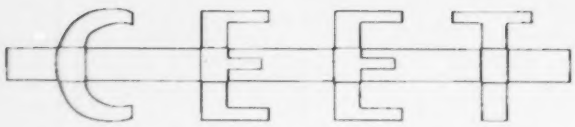

An Investigation of ACCI's User Choice proposal:

Fran Ferrier and Chris Selby Smith

Working paper 47
February 2003

MONASH UNIVERSITY – ACER

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CENTRE FOR THE ECONOMICS OF EDUCATION AND TRAINING

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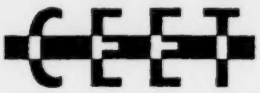

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CENTRE FOR THE ECONOMICS OF EDUCATION AND TRAINING

The *Monash University-ACER Centre for the Economics of Education and Training (CEET)* is a joint venture of Monash University's Faculties of Education and Business & Economics and the Australian Council for Educational Research (ACER). CEET also collaborates with staff of the University of Melbourne.

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Funding

CEET receives its main funding from ANTA as a Key VET Research Centre and undertakes consultancies for a range of other authorities.

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- the costs of vocational programs in schools, in TAFE and in industry
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- the impact of globalisation on the occupational structure
- evaluation of 'user choice' for apprenticeship training
- analysis of the efficiency and equity in the training market
- policies to improve the transition of youth from education to work
- the impact of VET research on policy and practice
- equity and VET
- models for analysing student flows in higher education and in vocational education, and
- returns to investment in enterprise training.

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1 Background

User Choice was implemented for New Apprenticeships from 1998 (following earlier pilot projects across Australia). Information on the ANTA website (www.anta.gov.au/dapapprenticeships.asp) indicates that training within New Apprenticeships is more flexible than traditional apprenticeships and traineeships. The ability of employers and employees to select a training provider of their choice, providing that it is registered in their state or territory, is known as 'User Choice'. Employers are also able to negotiate other aspects of the training with their selected registered training organisation (RTO), including the timing, location and method of delivery.

The Australian Chamber of Commerce and Industry (ACCI) declared 'implementation of a revised approach to User Choice' as one of its training priorities for 2002. It urged the Commonwealth and the States and Territories to 'implement proposed *New User Choice* arrangements' (*ACCI 2002 Training Reform Priorities, 2002*). The results of a survey undertaken by ACCI of its members in 2001 showed very high levels of support for User Choice, but also indicated that User Choice was not always meeting expectations. ACCI concluded that 'between the promises of the User Choice policy and the reality for many employers, there lies a credibility gap' (*The ACCI Review*, May 2001).

Following its member survey, ACCI developed proposals designed to strengthen User Choice. The small project reported in this paper investigated these proposals with two main aims:

- To explore the gap between the User Choice arrangements proposed by ACCI and User Choice as it is currently practiced.
- To seek the views of the States and Territories about ACCI's proposals, including any potential issues or problems that might arise in implementing them.

This work was underpinned by the following research questions:

- What specific changes is ACCI seeking in current User Choice arrangements?
- In what ways would these changes differ from current User Choice arrangements?
- Do any of ACCI's proposed changes already exist in practice? If so, how effective and efficient are they? What issues would be encountered in implementing them, eg costs, risk management, etc?
- What are the views of the State Training Authorities (STAs) in relation to each of ACCI's proposed changes? What is the basis of these views? Are there regional/local issues that need to be considered?
- What issues, problems or difficulties, if any, would the STAs expect to encounter in implementing ACCI's proposals?
- Can the STAs identify ways in which risks could be reduced and impediments overcome?

The project was commissioned and funded by ANTA. It was undertaken in two stages. Stage 1 comprised an analysis of the ACCI position, using published ACCI documents, the ACCI website and information gathered in consultation with a senior representative

of ACCI. Results are presented in Section 2. In Stage 2, information about current User Choice practice and the views of the STAs were gathered in three ways:

1. From the websites of the STAs.
2. Written responses were sought from the STAs to a set of questions about the ACCI proposals.
3. Additional information was sought from some STAs in telephone consultations.

Results of the exploration of the websites are presented in Section 3, which the written responses and consultations are discussed in Section 4.

2 ACCI's User Choice proposals

The ACCI position on User Choice is set out in several documents:

- 'Training and User Choice. The Employer Perspective' in *The ACCI Review*, May 2001, Number 75.
- Correspondence between David Gray, President of ACCI and the Federal Minister for Education, Science and Training, Dr Brendan Nelson.
- ACCI document: *ACCI 2002 Training Reform Priorities*
- ACCI document: *Training and User Choice*, April 2002.

These documents outline the results of ACCI's 2001 Employer survey on User Choice, ACCI's concerns about User Choice as currently practiced and ACCI's priorities for further reform of training - including a new approach to User Choice.

ACCI's concerns

In his letter to Minister Nelson, David Gray, President of ACCI, wrote that ACCI has been an active participant in training reform in recent years, working to ensure that the national training system better meets the needs of employers, employees and the nation. He also noted that 'significant benefits have been achieved in engaging industry in the system', seen particularly in substantial growth in the number of New Apprenticeships.

In its *2002 Training Reform Priorities* ACCI stated that employers view User Choice as 'a central component of their participation in the training system'. However, ACCI also asserted that 'despite a number of national Ministerial agreements, User Choice has yet to be fully implemented'. This view was also put in ACCI's document *Training and User Choice. The employer perspective*, which stated, 'it is evident that none of the nine principles have been fully implemented across the country'.

Since 1998, primary responsibility for implementing User Choice has rested with State and Territory Training Authorities (STAs). Implementation has been based on nine User Choice principles agreed by Ministers in 1997 and slightly revised for clarification purposes in 2000. In ACCI's view, the STAs' failure to implement User Choice fully is of concern because it 'will only lead to a lessening of demand (for training). Employers

may begin to withdraw from an engagement in training if their role and influence is diminished' (*ACCI Review*, May 2001, p 3).

ACCI has identified five main 'issues of contention' that continue to affect the implementation of User Choice in the States and Territories. These are:

- Lack of a clear agreed definition of User Choice and its purpose.
- Concerns about the impact of the introduction of User Choice on TAFE, particularly in regional areas.
- A perceived need to control training activity through central planning processes or managed competition.
- Concerns about the quality of training provided, particularly by small private training providers.
- Fundamental flaws in the pricing system of training through 'nominal hours' rather than a set fee based on outcome.

ACCI suggested also that the STAs have curtailed the effectiveness of User Choice by establishing processes that limit the opportunities for employers and restrict the desired outcomes. In addition, processes are different in each State and Territory and this presents difficulties, particularly for enterprises operating in more than one jurisdiction.

Work conducted by CEET for ANTA in 2000 examined the implementation of the nine User Choice principles in each State and Territory and found that implementation was inconsistent. STAs had interpreted the principles in different ways and had taken existing State or Territory policies and procedures into account when implementing them. Thus, there were differences between User Choice processes in each jurisdiction, as well as some differences in the scope of User Choice.

As indicated earlier, ACCI's 2001 survey of employers found very high levels of support for the flexibilities delivered by User Choice among employers, but also that many employers were not getting the information they needed about choices. In addition, not all employers had the same range of choices. The results of this survey were published at a time when User Choice was experiencing a "freeze" in some jurisdictions where, ACCI stated, STAs were concerned about its impact on existing public providers and 'attempted to turn back the tide of reform' (*ACCI Review* May 2001, p 2).

In response to the deficiencies it has observed in existing User Choice arrangements and, more importantly, to provide a solid foundation for its new work to promote the establishment of User Choice on a more effective basis, ACCI developed what it calls a 'new approach to User Choice'.

ACCI's new approach to User Choice

ACCI's proposed new arrangements for User Choice are framed around three elements, each with a different set of purposes. These are indicated in Table 1 below:

Table 1: The elements of ACCI's new approach to User Choice and their purposes

Element	*Purpose*
A new pricing and purchase policy at the state/territory level linked to each available qualification	• To enable providers to understand and cost service. • To enable employers to understand the extent of public money flowing to training and to supplement public funds if they seek additional training. • To provide a transparent process for states and territories to determine priorities and price setting.
An on-line matching register	• To allow providers to promote their ability to operate in a specific region. • To allow employers to approach a range of providers able to operate in their region that can offer the type of training they seek. • To allow providers to approach employers with services to complement the areas in which they are interested. • To enable providers to compete for customers on the same price footing. • To enable monitoring of demand for training by region and of the number of providers able to respond to that demand.
An e-business facility for User Choice	• To improve access to User Choice options and the take-up of User Choice opportunities by more employers.

Sources: *Training and User Choice. The Employer Perspective,* ACCI, April 2002 and discussions with Mr Steve Balzary, a senior representative of ACCI.

These three elements are underpinned by a set of 11 principles for User Choice also developed by ACCI.

New Principles for User Choice

ACCI does not suggest that its eleven new principles should replace the existing nine User Choice principles agreed by Ministers. The main function of the ACCI principles has been to guide the development of ACCI's new approach to User Choice by clarifying and defining the scope of the policy. However, ACCI does state that its principles 'must be recognised and agreed for User Choice to operate nationally'.

In introducing the eleven principles, ACCI proposes that a new definition of User Choice and its scope be agreed:

> User Choice is a transparent process whereby employers have the ability to gain access to a preferred available training provider for their New Apprenticeships.

Table 2 below compares ACCI's new principles with the existing nine principles agreed by Ministers. It indicates that, while some concepts and ideas are similar, there are also some notable differences. For instance, ACCI's principles refer to 'employers and organisations acting on their behalf', while the existing principles refer to 'clients', which under New Apprenticeship Training Agreements includes employers and employees acting jointly. ACCI's principles specifically refer to 'quality' and to 'Training Packages', neither of which are mentioned in the existing principles and whose inclusion may reflect developments in the training system since the nine principles were originally agreed by Ministers. ACCI's principles also indicate that training priorities and funding levels should be set at the state/territory level, in consultation with industry. Existing principles imply only that 'unit costs' are set at the state/territory level and should be based on clear benchmarks. Industry consultation is not mentioned.

Table 2: ACCI's proposed User Choice principles compared with existing agreed User Choice principles.

ACCI Principle	*Existing principles*
1. An employer engagement focus.	Existing principles refer to 'clients' rather than employers. Principle 1 indicates that clients are able to negotiate their publicly funded training needs. Principle 2 gives clients a right of choice of provider and the ability to negotiate specific aspects of training.
2. Recognition that the primary relationship in training is between the RTO and the employer.	Employers are included as 'clients'. The 'primary relationship in training' is not defined.
3. User Choice is about competition, choice, accessibility, customisation and responsiveness.	'Competition' is implicit in Principle 3, which refers to a 'national training market', but otherwise is not stated. 'Choice' is included in Principle 2 (clients have the right of choice of provider and the ability to negotiate other choices) and in Principle 4, in relation to the information to support 'informed choice'. 'Accessibility' is not included. 'Customisation' is not explicitly stated, but is implied in Principles about the ability of clients to negotiate aspects of their training ie Principles 1,2 and 6. 'Responsiveness' is not explicitly stated, but is also implied in Principles 1, 2 and 6.
4. User Choice requires systems to be transparent, with equal treatment of all providers.	'Transparency' is implicit in Principle 5, which refers to 'clear benchmarks'. 'Equal treatment' is implied in a limited way in Principle 3, which opposes discrimination against providers on the basis of location of primary registration. Equal treatment on other grounds is not addressed.

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Table 2 continued...

5. The Australian Quality Training Framework is the primary tool to regulate the quality of the training system and employers prefer quality training arrangements.	The existing Principles do not specifically mention quality or the AQTF. Principle 9 refers to 'continuous improvement'.
6. Any introduction of User Choice should initially be limited to New Apprenticeships (currently 25% of VET funding).	Limitations to User Choice are not included.
7. The importance of states/territories in setting their own priorities and funding levels, in consultation with industry. It may be necessary to agree at a national level on some broad parameters for unit costs in a transition period.	Principle 5 includes mention of 'unit costs', stating that pricing of training by STAs should be based on clearly identified state/territory unit cost benchmarks. The setting of priorities and funding levels, in consultation with industry, are not otherwise included.
8. Any system requires employers, or organisations acting on their behalf (eg brokers), to understand their role and influence over training activity (ie employer empowerment).	The rights of clients and the aspects of training that they are able to negotiate are defined in Principles 1, 2 and 6. Employers and brokers are implied in 'clients'.
9. The importance and availability of Training Packages in all jurisdictions.	Specific or implied references to Training Packages are not included.
10. Recognition of 'nominal hours' as a flawed concept and the need to move to a set unit cost for all training.	There is no mention of 'nominal hours' and Principle 5 deals only with the transparency of 'unit costs'.
11. Introduction of third party access where all providers can get access to public infrastructure at reasonable rates.	Not included.

A New Pricing and Purchase Policy

Table 3 indicates the main features of ACCI's proposed new pricing and purchasing policy. ACCI has deliberately not sought to develop the proposal beyond a basic level to ensure that discussion about the merits of the proposal does not become bogged down in detail and ignore what it regards as the major issue – the need for a policy change.

Table 3: ACCI's proposed pricing and purchasing policy

Descriptor	*Feature*
Operational level	The policy would operate at State/Territory level.
Scope	The policy would apply only to training for New Apprenticeships. It would be linked to all available qualifications, ie no qualifications would be excluded.
Delivery of training	All qualifications would be available through Training Packages.
Basic unit costs	A unit cost would be set by the STA for all available qualifications within its jurisdiction. This amount would be paid to training providers as the government contribution to the cost of training, including to providers whose primary location is in another state or territory.
Loadings	Loadings would be established for regional services and for disadvantaged groups. These loadings would be paid by the STA to providers on top of the agreed basic unit cost. The loadings would be based on, and recognise, the additional costs incurred by providers in delivering services in regional and remote areas and in providing extra support to enable disadvantaged people to complete their training successfully.

Sources: *Training and User Choice. The Employer Perspective*, ACCI, April 2002 and discussions with Mr Steve Balzary, a senior representative of ACCI.

Further development of this policy, and its implementation, could be guided by the new principles for User Choice proposed by ACCI. In particular, application of the principles to the development of the policy would suggest that:

- The process of setting the unit price per qualification, and establishing the loadings, would be transparent.
- The 'nominal hours' concept would be abandoned.
- All providers would be paid the same basic unit cost plus agreed loading.
- Industry would be consulted in setting the government contribution to the cost of training.
- The quality of the training purchased would be monitored.

ACCI has indicated some concern that complete flexibility to set prices and loadings could result in the development of substantial differences in prices between States and Territories. Thus it has proposed 'transitional arrangements' that might contain prices within some broad bands.

An 'On-line matching register'

ACCI proposes the establishment of an 'on-line matching register' through which employers or their representatives would be able to access information about providers able to deliver the training they require, within the region in which they are located.

As envisaged by ACCI, the register would require the division of Australia into regions. For ease of administration, these could comprise sub-sections of each State or Territory. While geography might suggest some regions could cross State or Territory boundaries, this is not seen as feasible due to differences between State and Territory training systems.

ACCI proposes that, for each region, information would be available through the register in two forms:

- Information about the scope of training that each provider registered to deliver in the region is able to deliver.
- Lists of providers able to deliver particular types of training within the region.

For instance, the register would be designed to respond to an employer located in Korumburra in Victoria and searching for a provider able to deliver training in engineering, who asks: which providers are able to deliver training in engineering in Korumburra; and/or does (a specific RTO) deliver training in engineering?

As envisaged by ACCI the register would also serve broader systemic purposes. Firstly, information included in the register about what training providers are able to deliver, and where they are able to deliver it, would enable monitoring of the number of options available to employers in a region. For instance, it might be possible to identify that an employer located in the Illawarra region of New South Wales can choose from among five providers able to deliver training for his hospitality trainees, whereas an employer in North Queensland might have only two choices for the same type of training. This information could be useful in developing policies and procedures to promote User Choice, because it would allow the identification of areas where choices are particularly limited.

Secondly, it might be possible to use the register to monitor demand for training (and for types of training) within a region. This would require the register to be set up in a form that would allow administrators to keep track of how many employers are seeking information, what they are seeking information about, and in which region employers require the training. This type of information about demand could also be useful for STAs in setting priorities for training and making decisions about what types of training to purchase.

An E-business Facility for User Choice

ACCI proposes that the new pricing and purchasing policy and the on-line matching register be combined in the establishment of a facility that would allow User Choice processes and transactions to take place on-line. Again, ACCI has not developed the proposal in detail. However, for instance, the facility might:

- Provide employers and apprentices/trainees with all the information they need to choose a training provider, with all the documentation necessary to indicate this choice, and the opportunity to lodge this documentation on-line.

- Provide information about the price the relevant STA is willing to pay for a specific qualification, what the price includes, any loadings available, and information indicating if employers are able to 'top up' government funding to achieve more tailored training.
- Provide access to all forms and other documents required and enable them to be lodged and processed electronically.
- Provide opportunities for collecting feedback from both training providers and their clients to assist in continuous improvement of the training system.

3 User Choice On-line

To assist in identifying the gap between ACCI's proposed arrangements for User Choice and existing arrangements, the website of each STA was examined with three purposes in mind:

1. To identify the range of information available about:
   - Apprenticeships and traineeships available in the State/Territory
   - RTOs able to deliver the qualifications in the State/Territory
   - New Apprenticeship centres in the State/Territory.
2. To determine how much User Choice business can currently be conducted on-line.
3. To identify current User Choice prices and the basis on which they are constructed and measured.

Main Findings

All State and Territory training authorities have websites that give information specifically about User Choice. These are linked to sites about 'apprenticeships and traineeships'. In many cases these sites can be found by entering the string 'User Choice' in the search facility on the STA home page.

All websites either provide an explanation of User Choice as a national initiative or a link to an external site that does so. All give information about how the User Choice policy is applied in their specific region. This includes information about where User Choice is 'restricted' and the reasons for these restrictions.

Table 4 [p.12] outlines the information available on each website in relation to:

- Trainee and Apprentice qualifications available in each jurisdiction.
- RTOs approved to deliver within each jurisdiction.
- Prices.
- The unit of measure for prices.
- New Apprenticeship Centres.

Table 4 shows that all the websites give access to a list of apprenticeships and traineeships available in the State or Territory; and to the qualifications linked to them.

(In one case, links to this list are not currently working). Some websites also indicate where training packages are, or are not, currently available.

All the websites either provide lists, or have links to lists, of RTOs accredited to deliver qualifications in the State or Territory, although in one case links to the lists were not working when tested.

Some websites provide access for users to searchable databases. In the best cases, these databases enable users to gather extensive information about occupations, the qualifications required to work in the occupation, a relevant apprenticeship or traineeship (where one exists) and the RTOs able to deliver the training within the State or Territory. They also provide contact names and telephone numbers, and sometimes email links, enabling users to follow up queries easily. On other sites, users are able to access all or some of this material in slightly different forms. For instance, they might be able to download a pdf or word file listing approved providers and use the search functions within the relevant program to find a particular string within this document; or they might be able to follow a link to the National Training Information System (NTIS).

Most websites provide some information about prices paid by the STA for apprenticeship and traineeship training. The basis of the prices quoted varies, but most commonly it is per student contact hour. A price per qualification (or a maximum price for the training delivered) is given in a small number of cases. In two cases, prices for similar training differ within the same State or Territory. In one case, the price depends on the region in which the training is delivered. In the other, the price depends on the delivery mode.

All websites provide some information about the functions of New Apprenticeship Centres and some contact details. In the best cases, the individual centres are listed on-line and by region (where appropriate). The contact details given include email addresses.

The extent to which User Choice business can currently be conducted on-line is difficult to judge from a brief examination of the sites. Most sites have 'restricted access' sections, such as sites open only to approved RTOs. These are the sections in which most on-line documents and forms might be expected to be available. Access to these restricted sections was not sought for this small project, but could be considered in any further investigation.

However, responses by the STAs to the ACCI proposals, which are discussed in the following section of this report, provide some additional information about on-line business. They indicate that:

> In the ***ACT*** RTOs can apply on-line to be registered on the New Apprenticeships Provider Register. On behalf of employers and apprentices, NACs can lodge on-line information about their training arrangements.
>
> In ***NSW*** RTO transactions are already conducted on-line. E-lodgement of training contracts is being implemented and will commence in early November. On-line

facilities are also provided to collect feedback from training organisations, employers and other clients.

E-business is not currently being used in the ***Northern Territory.***

In ***Queensland*** many services are conducted on-line, including the lodgement of User Choice contracts and an apprenticeship/traineeship registration service.

In ***South Australia*** all forms relating to the contract of training system are available on-line, but currently they cannot be lodged on-line. A system is being developed to allow RTOs to lodge User Choice claims for payment on-line.

In ***Tasmania***, the electronic lodgement of training contracts is being progressed, but it is not yet implemented. Electronic access to User Choice contracts is available to RTOs and consideration is being given to the electronic lodgement of these contracts. On-line facilities enable the collection of client feedback.

In ***Victoria*** a sample Training Plan is available for downloading, as are the State guidelines for RTOs in relation to training conditions. Information is also available about employers' responsibilities. Currently, contracts of training cannot be lodged on-line, but this is being progressed nationally. There is no facility for the collection of feedback.

In Western Australia no additional relevant information was obtained.

Table 4: Information about User Choice on STA websites

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Apprentice & trainee qualifications available within state/territory	A database supporting the 'training market' provides an alphabetical list of apprenticeships and (separately) traineeships by industry group. Results indicate qualification, training package, RTOs able to deliver, delivery modes available, duration of training, any special conditions, industrial arrangements and a price (where there is more than one provider).	For each apprenticeship and traineeship there is a list of qualifications indicating the maximum duration of training, probationary period, 'set of conditions' and the state training wage category.	Links to the Qld Training Information System. This search engine enables searching of available apprenticeships and traineeships, qualifications and registered RTOs. For each apprenticeship or traineeship results give qualifications available, duration, and the number of RTOs able to deliver.	Apprenticeships and Traineeships site has separate lists for each type of qualification. These are searchable by industry area. Information is given about the occupation and the type and duration of training required.	A 'Schedule of approved gazetted declared vocations, required courses of instruction and associated conditions' is a downloadable pdf file that lists occupations, nominal length of contract of training, nominal hours of attendance at approved course and probation period.	Lists all available traineeship and apprenticeship qualifications and those that are government funded. Searchable by industry. Good information is available about each qualification, including RTOs able to deliver, price, duration, number of units of competency, options and any special conditions. Active links to information about industrial awards.	Database searchable by RTO and qualification. Information given about each qualification, including duration and options for training delivery.	Links to a downloadable pdf file. File will not currently download.
RTOs approved to deliver apprentice-ships and traineeships	See above. Following links to RTOs able to deliver each qualification provides, for each RTO, address and some contact details. An active link to the TAFENSW handbook provides further information about the course and delivery arrangements.	An on-line search engine enables searching for RTOs by 'booklet', course code, course description and name of provider. For each RTO it gives the name of a contact person and telephone and fax numbers.	QTIS site enables searching of RTOs by qualification. Results give the name of the RTO, address, telephone number, fax number and a contact name.	Contracted Providers List - includes all RTOs that are contracted to deliver apprenticeship or traineeship training. It is an MS Word or Acrobat document. RTOs are listed by qualification and region. The list includes contact name, telephone and fax number for RTO.	List of RTOs approved to deliver in the State is a downloadable pdf file. Table includes name and contact details, including email address.	Separate Excel database is available for download that lists RTOs with current User Choice contracts by qualification. Includes telephone number for RTO. Can be searched by qualification and RTO.	See above. Search provides a contact telephone number for RTO.	As above.

Cont...

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Table 4 cont...

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Price	Prices are indicated by student contact hour for off-the-job training and a total price for other delivery modes. Prices differ according to whether the training is delivered off-the-job in an institution or by distance, is delivered by an enterprise or in a work-based form.	Price list indicates name of qualification, nominal hours and student contact hours (SCH) rate.	The User Choice Price List is a downloadable pdf file. It indicates that payment rates differ depending on the specific qualification or course, and the demographic category the delivery location falls within - South-East Qld, country or remote. The list gives the maximum payments for each qualification and demographic category, which are calculated by multiplying the number of funded hours for the qualification by the rate.	Not found.	The User Choice Unit Price List is a downloadable pdf file. Table indicates approved course, duration and price.	Price is published in the on-line database of qualifications.	Prices are published in a User Choice guide for RTOs – an MS word document that can be downloaded.	Not found.
Price unit of measure	SCH for off-the-job training. Total price for other delivery modes.	Price per student contact hour.	Price per nominal hour and total maximum, by demographic area.	Not found.	Price per student contact hour.	Total price per qualification.	Price per qualification, with and without GST. Also price per qualification funded for existing employees.	Not found.
New Apprentice-ship Centres	List of all NACs in NSW/ACT by region. Includes location, address and telephone number.	There is a list of all NACs in Victoria, by region. Contact details provided are: location, postal address, email address, phone number.	Link to national New Apprenticeships site. Contact number given for NAC hotline.	National NACs hotline number provided and link to national New Apprenticeships site.	Link to national New Apprenticeships site and ANTA's NAC info site. Lists NAC national hotline.	Site lists all NACs in State with address, fax and telephone numbers.	Contact details provided for the 2 NACs in the ACT, including email addresses, but no active links.	Lists all NACs with contact numbers, email addresses, location and postal address.

Observations

Overall, the websites for User Choice and New Apprenticeships together appear to provide a solid foundation on which it would be possible to build an expanded e-business facility for User Choice. This is especially so in the case of those sites which currently exhibit best practice.

At present, best practice is evident on those sites which:

- Provide information about occupations.
- Enable ready identification of the qualifications required to work in these occupations.
- Enable identification of appropriate training to acquire these qualifications.
- Enable identification of RTOs able to deliver the training.
- Provide 'hotlinks' to the websites of the NTIS, New Apprenticeships (DETYA), RTOs and NACs.
- Give extensive contact details for RTOs and NACs, including active email links.
- Give access to on-line forms and documents.
- Enable access to all the forms and documents required to complete and register training arrangements.
- Enable all forms and documents to be lodged on-line.
- Collect feedback on-line.

As yet, no site meets all of these standards and some are considerably closer to meeting them than others. However, comments from the STAs indicate that progress is being made and that further on-line facilities, resources and services are being considered, developed, or implemented. Currently, only a limited number of forms are available and can be lodged on-line; there are few links to the websites of RTOs or NACs; and few active email links or even email addresses are given. Site visitors are able to access considerable information, but have to make telephone calls and other personal connections to proceed further with arranging their training.

In particular, improved links to RTO websites might be useful, because these would enable easier access to information that might assist employers and trainees to choose an appropriate provider to meet their needs.

4 STA views of the ACCI proposals

Information was sought from all State and Territory Training Authorities (STAs) about the differences and similarities between the User Choice arrangements proposed by ACCI and existing arrangements, together with views on the proposals themselves, including issues and problems that might arise if a decision were made to implement the ACCI proposals.

Responses were first sought in writing. An outline of the ACCI proposals (as discussed in Section 2) was sent by email to the representative of each STA on ANTA's User Choice working party, following ANTA's advice that this was the most appropriate person to receive the material. The outline was accompanied by a set of questions on the proposals. For each of the three ACCI proposals the STA was asked:

- *How do these proposed arrangements differ from existing arrangements in your state/territory?*

- *Are the proposed arrangements feasible?*
- *Would the proposed arrangements improve the effectiveness of User Choice?*
- *What steps (including transitional arrangements) would be required to implement the proposed arrangements?*
- *What, if any, issues or difficulties might be encountered in implementing the proposed arrangements?*
- *What steps could be taken to overcome these difficulties?*

Following the receipt of written comments, further information was sought, where necessary, to clarify or expand on the responses. This occurred both by email and telephone.

The written responses received from each STA are the primary source for the main findings reported in this section. In addition, the discussion draws on further material gathered in telephone and email conversations. Not all States and Territories provided either written or oral responses to all of the questions. However, most did provide considerable material.

Main Findings

The findings are discussed under four headings:

- the gap between the arrangements ACCI proposes and existing User Choice arrangements
- the general responses by STAs to the ACCI proposals
- implementation issues
- three other issues raised by STAs.

1. The Gap

Some indication of the gap between the arrangements ACCI proposes and existing arrangements was evident in the material gathered from the STA websites and discussed in the previous section. The material gathered for this part of the project reinforces that the gap varies considerably from one jurisdiction to another and across the different proposals.

Overall, no State or Territory has current User Choice arrangements that exactly mirror ACCI's proposed arrangements. However, that said, there are many instances where existing arrangements go some way towards meeting ACCI's preferences; and changes are being made that will result in further progress towards ACCI's position. For instance, while no State or Territory currently has an 'on-line matching register' in the form that ACCI proposes, many have extensive on-line information, including searchable databases that can be used by employers, students and RTOs to gather information that will assist them in making decisions about training options and contact the people and organizations that can help them.

Similarly, several STAs already have in place loadings on User Choice prices, as sought by ACCI, in recognition of special equity or regional needs. A number also already have adopted a pricing/purchasing model that is based on an identified price per qualification, as ACCI prefers, rather than one based on a rate per student contact hour (or similar measure).

The stronger focus on regions that is a theme in ACCI's proposals is already reflected in User Choice arrangements in some jurisdictions. Some States, as noted above, already have loadings on prices that reflect the different costs of provision and varying needs of regions within the State. One State is further advanced, moving toward a regional model for allocating funding for training. Currently under consideration, a 'regional allocation model' for funding is likely to encompass consideration of industry skill needs on a regional basis,

together with the particular needs of the local community (eg the needs of a population in which Aborigines and Torres Strait Islanders are well-represented).

2. Response to Proposals

In general, the STA responses to ACCI's proposals could be described as cautious. While none of the proposals is dismissed out-of-hand by all respondents, neither is any proposal readily embraced as both feasible and likely to improve the effectiveness of User Choice. Even if positive about some aspects of the proposals, most STAs have reservations about others - sometimes quite substantial reservations.

Of ACCI's three proposals, the one of greatest, and most common, concern is the adoption of a new pricing and purchasing model. The others, an 'on-line matching register' and an 'e-business facility', are much less contentious, with STAs tending to see them largely as an extension of existing electronic services and facilities.

The issues the STAs raise in relation to the on-line matching register and e-business facility are often about the potentially substantial costs of implementation, the difficulties of adapting existing systems and the maintenance of the currency of information. Several STAs were also concerned that some employers (particularly small sized firms) might have very limited access to web-based information and services and that, by implication, they should continue to have access to appropriate information in other forms. One STA suggested that the number of people who would take up e-business opportunities is likely to be very limited and consequently the benefits of expanding on-line operations might outweigh the costs of their implementation. Many of the STAs suggested that both of these ACCI proposals would be better considered as part of ongoing reviews of the National Training Information System and the development of the VET web portal. They also indicate that existing web-based information about User Choice is considerable, growing and constantly updated. On-line information, services and facilities are already substantial in some cases and are being further expanded.

For most STAs, the proposed pricing and purchasing model is of concern primarily because, if adopted, they believe it has the potential to expand the already growing demand for training, creating further pressure on already limited funding, with possible implications for the quality of training. The STAs note the substantial rise in demand for training that has occurred in recent years and the role that has been played in this by the existence of Commonwealth incentives in the form of subsidies for employers of apprentices and trainees. One STA in particular noted that this had led to a shift in the cost of training from employers to governments. Another pointed to the role played by some RTOs in increasing demand through 'aggressive marketing' of training to employers. If all qualifications were to be made available and funded under User Choice arrangements the STAs believe that demand for training would increase further, but that this demand could not be (and should not always be) accommodated within public funding limits.

Related to this is a common concern about the appropriate use of public funding. Many STAs raise the point that government funding is limited and responsible decisions have to be made about the best use of these funds. It may not be appropriate for all qualifications to be funded, in all times and circumstances. There are always alternative uses for funding and some of these may have a higher priority. Governments may want to promote a particular industry in the State or Territory and direct limited User Choice funds to apprenticeships and traineeships in these areas. Some industries may not exist, or exist on only a small scale,

within the State or Territory, and the qualifications required in these industries should be excluded, they argue, from funding, or given only a small portion of the limited funding cake. Governments may want to focus on regional developments or particular types of community needs.

As one STA put it, ACCI's proposals may be philosophically sound, but they are impractical. ACCI fails to recognise, they argued, the limits to government funding. However, as another put it, even if funds were unlimited, there would still be things, including some qualifications, which governments would not want to fund, for good reason.

The quality of training is an issue raised by many STAs, their responses suggesting that any extension of User Choice that failed to address quality issues could exacerbate some existing problems and possibly create new ones. Firstly, many STAs indicate that implementation of ACCI's proposals would be likely to increase the demand for apprenticeships and traineeships to a level that would strain training systems already under pressure from substantial increases over recent years. Without more effective monitoring and assessment of the training being delivered, and vetting of new RTOs entering the training market, they believe that it would become more difficult to ensure high standards. The action needed would be costly, and beyond the limits of existing resources. Secondly, as one STA indicates, the proportion of training being undertaken on-the-job, rather than through an institution, has increased substantially since the implementation of User Choice. This is not in itself a concern. However, investigations have shown that completion rates are poorer for on-the-job training and that the quality of training provided in this mode varies considerably. Without appropriate action, any extension of User Choice could further contribute to problems in this area. Thirdly, as mentioned above, one STA indicates that, since the implementation of User Choice, some RTOs have engaged in the 'aggressive marketing' of training to employers. The training that has subsequently taken place has sometimes been inappropriate, they felt, to the needs of the clients and of variable quality.

A related issue is management - particularly management of what the STAs see as a further deregulated system, if ACCI's proposals were implemented. Many of the STAs express concern about the risks they see in User Choice arrangements that they believe would give greater power to employers and RTOs in the allocation of public funds, while simultaneously reducing the role of governments in monitoring and assessing training and the use of these funds. They express concern about what this would mean for accountability for the use of public funds, the effective use of public funds and the quality of training delivered. They also suggest that deregulation of the kind proposed could lead to a neglect of systemic issues beyond User Choice. Two STAs comment specifically that the proposed arrangements would make training systems more difficult to manage. One STA notes that management has been more difficult since User Choice was first implemented; the other comments that, while the arrangements proposed by ACCI might make things 'easier for employers and businesses', they would not make things 'more streamlined and effective for those who have to manage them'.

A less controversial aspect of the proposed pricing and purchasing model is ACCI's view that User Choice prices should be based on qualifications, rather than a rate per student contact hour for a period of nominal hours (or similar model). As already mentioned, some STAs have adopted ACCI's preferred pricing model and the remainder raise no strong objections to the change per se. However, one STA notes that implementation of ACCI's model should consider the need for procedures recognising that some students will withdraw from training,

requiring no further training to be delivered. Another STA is concerned that consideration should be given to the potential for changes in User Choice prices to flow on to forms of training other than New Apprenticeships - and the implications this might have for government budgets.

A more contentious issue that is raised by a small number of STAs in relation to pricing is the possible standardization of prices across jurisdictions. Although this is not specifically proposed by ACCI, at least not in the short term, some States and Territories seem eager to make it clear that they would prefer control of prices to be maintained at the local level, where local issues and needs, including local resource decisions, can be taken into consideration in setting prices.

Attracting little concern is ACCI's view that all New Apprenticeship qualifications should be available through training packages. STA responses indicate that in some jurisdictions all qualifications funded under User Choice are already delivered through training packages. However, a small number of STAs suggest that there are cases where this is not always possible, for various reasons. For instance, one STA notes that 'not all apprenticeship/traineeship occupational outcomes are currently captured in the national training package environment and these curriculum courses will need to remain'. Another indicates that 'some course-based qualifications are available as New Apprenticeship pathways where Training Package coverage does not yet extend to meet the needs of local employers'. The underlying tenor of these comments seems to be that this situation is mainly a matter of time – change will occur as training package coverage is extended.

One STA points to a related issue. This is that an apprenticeship/traineeship may not necessarily be the most appropriate form of training for an occupation and therefore should not necessarily be eligible for User Choice funding. This STA notes that, even if a training package is available, consultations with industry are needed to identify the most appropriate qualifications and training, taking into consideration broader matters, such as industrial legislation and awards. In this STA's jurisdiction, government funds are made available to support the training only after these consultations have taken place and agreement is reached with industry.

ACCI's proposals for loadings on base prices to reflect equity needs or the additional costs of delivery in regional areas, for instance, were generally supported by most STAs. As noted earlier, many already apply loadings or have adopted different prices for similar types of training to reflect different circumstances, including regional and community needs or different delivery costs. Only one STA offers a negative comment about loadings, suggesting that they add complexity to the funding model.

Very few STAs offer specific comments about ACCI's proposal that information be made available to employers about the extent of training included within the limits of government funding and the potential for employers to 'top-up' this amount to receive additional, tailored training. One STA comments that some arrangements might be regarded as 'commercial-in-confidence' and therefore it could be inappropriate to allow information about them to be made available publicly. They argued that additional or tailored training is a matter for RTOs and employers to work out between themselves and there is no role for governments. Another STA is concerned that an increased employer contribution might be accompanied by a decline in the price paid by governments, so that the quality of training might suffer if the employer withdrew or reduced the level of their contribution.

However, many STAs raise the issue of the role of industry in contributing to training more generally - and particularly the issue of the industry contribution to the costs of training. As noted earlier, several STAs raise the issue of cost-shifting from employers to governments, but more broadly, several suggest that ACCI's proposals neglect the role that industry and employers could and should play in effective training arrangements. For instance, one STA says:

> *It would appear from the ACCI proposals that the current effectiveness or deficiencies in the User Choice system are purely generated by the various government jurisdictions, and industry, as such, is blameless. There is no comment made in the proposal in respect to what changes, if any, industry is prepared to make to achieve, in conjunction with government, the User Choice aims.*
>
> *It is acknowledged that some aspects of the current User Choice system could and should be improved. However, if the proposed changes are to be effective then some aspects of the Industry participation in the system also need to be examined.*

These sentiments are shared and expressed by other STAs. More specifically, some suggestions are made that ACCI itself might need to pay closer attention to its own contribution. For instance, ACCI might consider putting more of its own funds into supporting training, particularly where gaps currently exist.

3. Implementation Issues

Five common themes run through STA responses in relation to the implementation of the proposals advocated by ACCI. These are:

(a) Funding.
(b) The time frame that would be required.
(c) Changes at the local level.
(d) How to accommodate local differences and priorities.
(e) Need for more detail.

(a) Funding

Overall, most STAs expect that implementation of the proposals would be costly. They are concerned about who would be expected to meet these costs and where the funding could be found. For these reasons 'additional funding' is often suggested as a way in which some difficulties arising from implementation of the new arrangements proposed by ACCI could be overcome. For instance, several STAs express concern about the costs that would be incurred in establishing and maintaining an 'on-line matching register'. One, for example, notes 'resourcing and maintenance' difficulties, another notes a need for 'recurrent funding for infrastructure to support the proposal, including recurrent funding for any STA input.' In relation to the development of an e-business facility another states that:

> *If funding was available to support the significant changes required over time, then it might be possible to implement some of the proposal over time.*

However, the concern the STAs express is not only about the specific costs associated with implementing change, such as the expenses incurred in changing procedures or disseminating

new information, for instance. While these are expected to be substantial, their concern is also (and perhaps more so) about the costs of supporting the new arrangements once they are in place. This is particularly so but not only in the case of the pricing and purchasing policy. For example, one STA states that:

> *Some of the changes being proposed could have an impact on the budget allocated for the User Choice program and careful consideration will need to be made in respect to any additional financial impost that will be incurred.*

Another STA notes that, if this set of ACCI proposals were to be implemented:

> *There would need to be a guarantee of unconditional Commonwealth funding for New Apprentice growth.*

Importantly though, the STAs do not see the Commonwealth as the only potential source of the additional funding required. They also mention increased industry funding, including funding from ACCI itself. For instance, one STA suggests that implementation of the pricing and purchasing policy would be assisted if:

> *ACCI secures industry funding of gaps identified and/or sponsors a national incentive or equity program for New Apprenticeships.*

(b) The time frame

In addition to costs, most STAs raise the issue of the length of time that would be needed to implement ACCI's proposals. For instance, in relation to the pricing and purchasing policy, one STA indicates that:

> *The State would need to implement extensive modifications to its existing computer systems and experience has shown that any extensive modifications can be a costly and time consuming exercise. Therefore, consideration would need to be given in respect to who would pay for the modifications and the time span required.*

In relation to the on-line matching register, the same STA notes that some existing work is going on, but time would be required to extend this to meet ACCI's proposals, due to the need to work out differences between existing systems:

> *Currently work is underway in ...(some) jurisdictions to electronically exchange information between the various State registration systems and NTIS. It is understood that this work is progressing slowly due to the different system configurations being used.*

Several STAs suggest that slow progress in implementing the proposals could be accelerated by additional funding from the Commonwealth. Implementation of the proposals will compete with other priorities for State and Territory funding and be given limited resources as a result. Additional funds from the Commonwealth (or industry) would enable a more concerted effort to be devoted to implementation and speed the process up considerably, they argue.

(c) Changes at the local level

Most STAs indicate that changes would be required at the local level to implement the new pricing and purchasing policy. The changes most often mentioned are to policies and procedures, but a range of additional changes are also mentioned. For instance, one large State mentions that changes would need to be made in five areas, to:

- Legislation
- Tendering arrangements.
- Payment processes.
- Database and computer systems.
- Registration of apprentices and trainees.

Whether these changes would be small or substantial is something that the STAs felt unable to answer in the absence of more detail about ACCI's proposed new arrangements. However, the STAs leave no room for doubt that they consider that these changes could be both costly and time-consuming.

In relation to the 'on-line matching register' and 'e-business facility', the STAs, in responding to questions about implementation, raise the issue of the lodgement of Training Plans. They note that arrangements (and requirements) for lodging these plans currently differ between jurisdictions and that how and when Training Plans should be lodged is a matter that would need to be considered and negotiated in the implementation process. For instance, one STA notes that:

> *In some States and Territories, there is a requirement for Training Plans to be submitted to the STA, and the RTO contract will not be registered unless accompanied by a Training Plan. However in (this state), the Training Plan may be completed following the registration of the contract (within three months of signing of contract), and the Training Plan is not submitted to government – rather, it is an auditable document of the RTO.*

(d) Local differences and priorities

Ensuring that implementation of changes to User Choice would allow for and accommodate differences at the local level is an important issue for many STAs. This is taken up by one STA in saying that:

> *Responsibility and accountability for public expenditure and resourcing rests at the State/Territory level. Arguably, a degree of divergence (between the states and territories) is entirely appropriate given national variances in training markets and training needs. The need for flexibility to respond to local needs means that a 'one size fits all' approach will not work.*

Some STAs have adopted a 'managed' approach to User Choice within their jurisdiction due to local needs and resourcing decisions. They assert, sometimes in strong terms, that they will need to continue to make decisions about User Choice at the local level in response to considerations such as the nature of regional communities or industries, and the extent of local resources. Others point to state legislation or regulation that requires them to take a particular course in their management of User Choice. For instance, in one case, industry consultation is essential before a specific training course, or package, can be approved for public funding support. The consultations cover matters including the appropriateness of the training for the occupations within the industry, and any relevant industrial awards.

The STA responses indicate that any decision to implement ACCI's proposals will need to consider how flexibility can be maintained at the local level, while also recognizing the need for some consistency in arrangements across jurisdictions.

In relation to local differences, a specific issue raised in regard to the expansion of electronic information and services is the incompatibility of the different data systems used by the States and Territories. One STA suggests that these differences will make it difficult to standardize them or meld them into a common centralised system.

(e) Need for more detail

ACCI deliberately did not provide substantial detail for its proposals in order to avoid debate on the merits of the detail, rather than the concepts. This does not appear to present a problem for the STAs in framing their responses to the proposals per se. However, when it comes to discussion of issues related to the implementation of the proposals, many STAs indicate difficulties in responding for the reason that they are not certain about exactly what they are expected to implement – and precisely what the new arrangements should look like. Sometimes they give responses based on assumptions about what ACCI wants. At other times they are unable to frame a response based on the limited information that they have.

Overall, most seek further information about the exact nature of ACCI's preferred arrangements before they can give full consideration to how implementation might proceed and the issues that might arise along the way. As one STA puts it:

> *Careful consideration needs to be given to the timeframes required to introduce the changes, the financial impact and costs of the changes and the ultimate benefits that will be derived by all stakeholders. This can only be achieved once the full details of the changes have been determined and are clearly understood.*

4. Other Issues

In their responses to ACCI's proposals the STAs raise three other issues that have not already been discussed and that deserve a mention. The first is the view expressed in ACCI's eleven User Choice principles that the primary relationship in training is between the RTO and the employer. This view encounters some strong opposition among the STAs, who offer an alternative – that while employers are important in the training relationship, more important still are the individuals actually doing the training.

STAs were not asked in this project to comment on ACCI's User Choice principles in their written responses. However, a number saw this as sufficiently important to make some reference to it in their written responses or to comment on it during the telephone consultations. As the principles underlie ACCI's proposals, disagreement on this point could be a stumbling block to further advancement of ACCI's position.

The second issue is the role of New Apprenticeship Centres (NACs). In their responses several STAs refer to the role of the NACs in promoting training and the availability of financial incentives for employers from the Commonwealth. However, in relation to ACCI's proposals they are more concerned about the NAC's current roles in disseminating information and negotiating training agreements between RTOs and employers. If all information and documentation is on-line, what functions will NACs retain, they wonder.

Thirdly, it is now almost five years since User Choice was implemented in January 1998. Over this period, both positive and negative effects of the policy have become clearer, including more options for employers and trainees/apprentices, but also quality concerns and aggressive behaviour in the training market that has led to some poor outcomes, as noted above. STAs argued that any changes to the policy should be considered in the light of this experience and draw on it to address existing problems and forestall the development of any further difficulties.

5. Summary and Conclusions

Table 5 below highlights the major issues identified by the STAs in their responses to ACCI's proposed new arrangements for User Choice.

Table 5: Major issues identified in STA responses

Risks in a further de-regulated setting	• Management - the system will be harder to manage. • A potential increase in the demand for training. Who will pay for it? Who will deliver it? • How to ensure that clients have real choices. • How to ensure that trainees and apprentices receive high quality training appropriate to the occupation. • How to ensure that RTOs deliver training, and that the training is of high quality. • If problems arise (eg decline in the quality of training, failure of RTOs to deliver) there may be new pressures for regulation. • How to ensure and monitor the appropriate and effective use of public funds.
Quality	If the market expands there could be a decline in the quality and appropriateness of training. Monitoring and maintaining the currency and quality of on-line resources and information.
Costs	There could be substantial short-term costs in implementing the proposals. Longer-term costs are of concern if the changes increase demand for training.
Local needs	States and Territories have different systems, issues, priorities and legislated requirements. How will these be recognised and accommodated?
Funding	Who will pay for the costs of implementing the changes? for the expansion of training that may result in the longer term? and to monitor and maintain high quality on-line information and services?
Industry	The participation and role of industry in working to improve the effectiveness of User Choice has not been sufficiently considered.

In their responses to the ACCI proposals, the STAs raise some important and substantial issues that require consideration. However, the responses also indicate that there is potential to advance some of ACCI's proposals if implementation issues can be resolved.

While the STA responses to ACCI's proposals could, in general, be described as cautious, none of the proposals is dismissed out-of-hand by all respondents. The most contentious of the proposals is the new pricing and purchasing policy, but even within this proposal, some elements are less controversial than others. Pricing on the basis of qualifications has little opposition, while loadings for equity or regional needs are overwhelmingly supported.

Overall, the STAs have two major concerns about this proposal. Firstly, they fear it could lead to further increases in the demand for training and a consequent blow-out in User Choice budgets. Secondly, they are concerned that, if it is implemented, governments will have less control over training and the use of public funds and there could be consequences for the quality of training in particular. These are the two main issues that will need to be negotiated with the States and Territories if the ACCI proposal is to progress further.

In relation to the on-line matching register and the e-business facility the issues of most concern to the STAs are the potentially substantial costs of implementation, the difficulties of adapting existing systems and the maintenance of the currency of information. The limited access to web-based information and services of some employers is also an issue. Several STAs indicate that they are well advanced toward the kind of on-line information and services that ACCI seeks; and further progress is being made. With additional funding, they suggest, this progress could be accelerated. Importantly though, many of the STAs suggest that both these proposals would be better considered as part of ongoing reviews of the National Training Information System and the development of the VET web portal.

The lack of detail in ACCI's proposals presents difficulties for most STAs in responding to questions about how these proposals could be implemented, what implementation steps would be required and what problems or difficulties would arise along the way. Nevertheless, most STAs express three main concerns: that implementation would be costly; that implementation would take considerable time to complete; and that implementation would need to ensure that flexibility was retained at the local level to respond to local needs, issues, priorities and legislated requirements.

On a more positive note, the lack of detail could be seen as an opportunity for the STAs and ACCI to work together to frame specific arrangements acceptable to them both.

On the whole, the STA responses indicate that most of the implementation issues they identify could be worked out - particularly if additional funding were made available to support the negotiations and changes required. However, responses also suggest that, in further negotiations between ACCI, the STAs and ANTA, greater attention should be paid to the role that industry could play in establishing a more effective User Choice system. While the STAs might acknowledge that improvements in User Choice are achievable, they dispute a view that any failings in current arrangements are solely the fault of governments. They also ask ACCI to be realistic about what improvements can be made, particularly within existing funding limits.

Finally, the responses suggest two additional issues. Firstly, the States and Territories would like ACCI's User Choice proposals to be considered in the context of broader training issues.

New apprenticeships and traineeships form only one of a number of different training pathways that are available and funded by governments. There might be potential for changes to User Choice to affect these other forms of training in unintended ways. Secondly, User Choice has now been in operation for five years. Any future changes to the policy should look closely at this experience and take into consideration the negative, as well as the positive, effects of this policy on matters such as client choice, the quality and appropriateness of training, the behaviour of RTOs in the market, and the value obtained from the expenditure of public money.

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